

## Sanchez, Daniel

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**From:** Alliance Riverside <Allianceriverside@gmail.com>  
**Sent:** Tuesday, February 25, 2025 5:09 PM  
**To:** CityClerkMbx; Enriquez, Edward; Sanchez, Daniel  
**Cc:** Kalawa, Christiana; KCalloway@hdlcompanies.com; Nemes, Julie  
**Subject:** Fwd: [EXTERNAL] Request to Dispute TOT Audit Finding dated 2025-01-31 - Courtyard by Marriott Riverside

**Attachments:** Letter from City of Riverside dated 2025-01-31 postmarked 2025-02-03.pdf; USPS Label 09-05-24.pdf; Riverside Chambers of Commerce - Donation Silent Auction solicitation 2025-02 EMAIL\_2.pdf; HdL Auditing Firm - Lodging Tax Brochure.pdf; Riverside Chambers of Commerce - Donation to Auction Form.pdf; HdL Final Notice Tax Audit postmarked 2024-08-26 dated 08-23 (1).pdf; Owners Statement to City of Riverside TOT Audit with Attachments Response 2024-09-05.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

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Email: [City\\_Clerk@riversideca.gov](mailto:City_Clerk@riversideca.gov)

CC: [CKalawa@riversideca.gov](mailto:CKalawa@riversideca.gov)

Hi City Clerk,

Please see our email below, in response to the attached letter from Mr. Edward Enriquez, letter was dated 1/31/2025 with a postmark date of 2/3/2025.

- We'd like to file our administrative appeal with the City Clerk's Office per Riverside Municipal Code 5.32.120 " We've re-attached all of the attachments that were sent on 2/20/2025.
- **We are disputing this TOT audit finding, and we're requesting a formal administrative appeal to the Finance Committee. Please provide us with at least two month's notice of hearing date** as we'll be traveling out of the country, and we need to schedule in advance with our counsel present. It took the City about 5 months to respond to our last written response dated 9/5/2024 (see attachments), and the City cannot reasonably expect us to respond within 2 weeks, especially with the mail delay (see postmark).
- It also appears from the [City's TOT website](#) that HDL, the same Auditing firm, is also in charge of financial information systems and/or collecting taxes on behalf of the City? Please let us know if that's not the correct understanding. If it's true, then please let us know what is the Auditing firm that would be auditing HdL.

- Grounds for appeal - HdL is the auditing firm that came up with its own interpretation of the City ordinances that TOT is owed, even if there's no rent charged. You cannot find this information anywhere, it's not in the Instructions, it's not on the TOT Forms, and it's not on the payment website. If HdL is correct that TOT is owed based on \$0 rent, then all Auditors and Auditing firms prior to HdL are incorrect. The burden of proof of any additional taxes owed simply based on the number of "Comp Rooms" is with HdL the Auditing firm, not with the Operators who file and paid taxes correctly based on the written Instructions and Forms. "Comp Rooms" can appear due to many reasons, including internal system error postings, donation of rooms, internal room inspections, etc.

**Hi Edward or Daniel,**

Thank you Daniel for the City Clerk information, I appreciate the efficiency.

Please direct us to the person who can answer this question in my previous email, since this is related to rooms indicated as Comp for our hotel, as well as any other hotels.

Please also clarify this as there are several local Riverside organizations soliciting donation of rooms in upcoming events:

Hotels and Businesses in the City of Riverside should also be careful and made aware of donation of any services and products, including any Pro Bono services, since they're also provided as "Complimentary" when the products or services are rendered. Using the attached event from Greater Riverside Chambers of Commerce, as an example, when any Hotel or Businesses donate their products or services, are they required to report those "Complimentary" products or services as Revenue on the City tax form? **Please clarify and confirm whether Donations, in general, are also taxable and must be reported as Revenue since they're also "Complimentary" when the donations are redeemed.** This will also have a major impact on the City's lodging industry and local businesses' future decisions on making donations in general, and we'll all need to be notified to factor in additional tax liability if it's indeed taxable.

----- Forwarded message -----

From: **Sanchez, Daniel** <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>

Date: Tue, Feb 25, 2025 at 4:09 PM

Subject: RE: [EXTERNAL] Request to Dispute TOT Audit Finding dated 2025-01-31 - Courtyard by Marriott Riverside

To: Alliance Riverside <[Allianceriverside@gmail.com](mailto:Allianceriverside@gmail.com)>

Cc: [KCalloway@hdlcompanies.com](mailto:KCalloway@hdlcompanies.com) <[KCalloway@hdlcompanies.com](mailto:KCalloway@hdlcompanies.com)>, Nemes, Julie <[JNemes@riversideca.gov](mailto:JNemes@riversideca.gov)>, Enriquez, Edward <[EEnriquez@riversideca.gov](mailto:EEnriquez@riversideca.gov)>

Hello,

If you could please file your administrative appeal with the City Clerk's Office per Riverside Municipal Code 5.32.120 "...Any such appeal must be filed "within 15 days after notice thereof by filing with the **City Clerk** a written notice of appeal, briefly stating in such notice the grounds relied upon for the appeal." Please see City Clerk's information below:

Email: [City\\_Clerk@riversideca.gov](mailto:City_Clerk@riversideca.gov)

CC: [CKalawa@riversideca.gov](mailto:CKalawa@riversideca.gov)

We thank you very much for your time and cooperation.

Thank you,

**Daniel Sanchez**

**Business Tax Supervisor**

City of Riverside

Finance Department, Business Tax Division

Main: 951 826-5465

Direct: 951 826-5763

[RiversideCA.gov](http://RiversideCA.gov)

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**From:** Enriquez, Edward <[EEnriquez@riversideca.gov](mailto:EEnriquez@riversideca.gov)>

**Sent:** Tuesday, February 25, 2025 9:39 AM

**To:** Alliance Riverside <[Allianceriverside@gmail.com](mailto:Allianceriverside@gmail.com)>

**Cc:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>; [KCalloway@hdlcompanies.com](mailto:KCalloway@hdlcompanies.com); Nemes, Julie <[JNemes@riversideca.gov](mailto:JNemes@riversideca.gov)>

**Subject:** RE: [EXTERNAL] Request to Dispute TOT Audit Finding dated 2025-01-31 - Courtyard by Marriott Riverside

Confirming receipt of your request. Staff will reach out to you for next steps in the appeal process.

Regards,

Edward Enriquez

Assistant City Manager

Chief Financial Officer/Treasurer



3900 Main Street  
Riverside, CA 92522  
951.826.5972 direct  
951.237.6773 cell  
[eenriquez@riversideca.gov](mailto:eenriquez@riversideca.gov)

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**From:** Alliance Riverside <[Allianceriverside@gmail.com](mailto:Allianceriverside@gmail.com)>

**Sent:** Thursday, February 20, 2025 4:45 PM

**To:** Enriquez, Edward <[EEnriquez@riversideca.gov](mailto:EEnriquez@riversideca.gov)>

**Cc:** Alliance Riverside <[allianceriverside@gmail.com](mailto:allianceriverside@gmail.com)>; Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>;  
[KCalloway@hdlcompanies.com](mailto:KCalloway@hdlcompanies.com); Nemes, Julie <[JNemes@riversideca.gov](mailto:JNemes@riversideca.gov)>

**Subject:** [EXTERNAL] Request to Dispute TOT Audit Finding dated 2025-01-31 - Courtyard by Marriott Riverside

**CAUTION:** This email originated from outside the City of Riverside. It was not sent by any City official or staff. Use caution when opening attachments or links.

Attn: Mr. Edward Enriquez

Assistant City Manager / Chief Financial Officer

City of Riverside



We're acknowledging receipt of the attached mail dated 1/31/2025 with a postmark date of 2/3/2025.

**We are disputing this TOT audit finding, and we're requesting a formal administrative appeal to the Finance Committee.**

**Please provide us with at least two month's notice of hearing date** as we'll be traveling out of the country, and we need to schedule in advance with our counsel present.

It took the City about 5 months to respond to our last written response dated 9/5/2024 (see attachments), and the City cannot reasonably expect us to respond within 2 weeks, especially with the mail delay.

We have been paying our TOT taxes on time for the past 12+ years without any issues. So it's surprising to us that the outside [Auditing firm HdL](#) claims that our hotel owes over \$8,000 in occupancy taxes on non-existent "Rent" that is unheard of in other Riverside County cities. We will be interested in finding what the Auditing Firm is going after hundreds of Occupancy tax-paying owners of [Short Term Rentals like AirBnB](#) and Hotels have been paying for years in accordance to the City's website, INSTRUCTIONS FOR FILING TRANSIENT OCCUPANCY TAX RETURN, Transient Occupancy Tax Return, and Riverside Code of Ordinances (attached) - but somehow Occupancy taxes are owed and interpreted differently by the [Auditing firm HdL](#).

Hotels and Businesses in the City of Riverside should also be careful and made aware of donation of any services and products, including any Pro Bono services, since they're also provided as "Complimentary" when the products or services are rendered. Using the attached event from Greater Riverside Chambers of Commerce, as an example, when any Hotel or Businesses donate their products or services, are they required to report those "Complimentary" products or services as Revenue on the City tax form? **Please clarify and confirm whether Donations, in general, are also taxable and must be reported as Revenue since they're also "Complimentary" when the donations are redeemed.** This will also have a major impact on the City's lodging industry and local businesses' future decisions on making donations in general, and we'll all need to be notified to factor in additional tax liability if it's indeed taxable.

Regards,

Courtyard Riverside Hotel

1510 University Ave, Riverside, CA 92507

Attachments: (7) total

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**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Sent:** Thursday, October 17, 2024 2:39 PM  
**To:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>  
**Cc:** Nemes, Julie <[JNemes@riversideca.gov](mailto:JNemes@riversideca.gov)>; Keri Calloway <[KCalloway@hdlcompanies.com](mailto:KCalloway@hdlcompanies.com)>  
**Subject:** Response to Final Tax Notice - Courtyard by Marriott Riverside.

Hi Daniel,

Per ownership, before the need for another call we're expecting to receive a written response from the City. Since the audit in 2022, we have already had many calls and emails stating the same information that is written in the ownership statement. This is very unproductive for everyone.

Once again, we are requesting a written response from the City to the questions in the attached statement. Is there any reason that your team cannot provide a written statement to our questions? I'm re-attaching what we had emailed and also mailed you on 9/5/2024. I've copied/pasted the paragraph from page 1 of the attached:

It is the burden of the City of Riverside to prove a hotel owes Transient Occupancy tax for any comp room.

There were not and there are still no written instructions on any of these official documents:

1. INSTRUCTIONS FOR FILING TRANSIENT OCCUPANCY TAX RETURN
2. City of Riverside Transient Occupancy Tax Return
3. Riverside, CA Code of Ordinances

informing any lodging operator to collect or to pay tax on any Comp rooms. These Comp rooms have no monetary value, and they are not used for guests or services therefore we are aggrieved and are appealing to the finance division to remove the erroneous taxes and fees billed.

**In the future if the Auditor wishes to arbitrarily impose tax on owners / operators for anything else outside of "Total Receipts from Room Rentals", then the City must clearly state such requirement**

on the  
City website (attached), and also on the TOT Form itself (attached), and notify all current and past  
Payees  
of TOT.

*Thank you,*  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951) 356-2125

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**From:** [Sanchez, Daniel](#)  
**Sent:** Wednesday, October 9, 2024 10:51 AM  
**To:** [Andrea Richard](#)  
**Cc:** [Nemes, Julie](#); [Keri Calloway](#)  
**Subject:** Re: Response to Final Tax Notice - Courtyard by Marriott Riverside.

Hello Andrea,

We hope all is well. I am following up regarding our previous email on October 3, 2024. Please let us know your availability as soon as possible so we can schedule a meeting to collectively discuss the matter at hand. Thank you very much for your time and we look forward to speaking with you.

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**From:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>  
**Sent:** Thursday, October 3, 2024 1:38 PM  
**To:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Cc:** Nemes, Julie <[JNemes@riversideca.gov](mailto:JNemes@riversideca.gov)>; Keri Calloway <[KCalloway@hdlcompanies.com](mailto:KCalloway@hdlcompanies.com)>  
**Subject:** Response to Final Tax Notice - Courtyard by Marriott Riverside.

Hello Andrea,

Thank you very much for providing the City of Riverside the owner's statement. We have reviewed the statement and wanted to schedule a call to discuss this matter. I will include Keri from HdL, Julie Nemes our Deputy Finance Director and myself. We would appreciate if Chiangsun Wang and yourself would be present so we can discuss this matter in more detail. Please let us know your availability next week and we can schedule a meeting that works for both parties.

Thank you,

**Daniel Sanchez**

**Business Tax Supervisor**

City of Riverside

Finance Department, Business Tax Division

Main: 951 826-5465

Direct: 951 826-5763

[RiversideCA.gov](http://RiversideCA.gov)

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**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>

**Sent:** Thursday, September 12, 2024 6:10 PM

**To:** [totaudit@hdlcompanies.com](mailto:totaudit@hdlcompanies.com)

**Cc:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>

**Subject:** [EXTERNAL] Response to Final Tax Notice - Courtyard by Marriott Riverside.

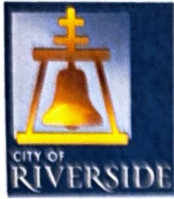
**CAUTION: This email originated from outside the City of Riverside. It was not sent by any City official or staff. Use caution when opening attachments or links.**

Hello,

Please see attached response. This was also mailed on 9/5.

*Thank you,*  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951) 356-2125

Stay in-the-know with all things Riverside! Connect with us at [RiversideCA.gov/Connect](https://www.RiversideCA.gov/Connect).



## Office of the City Manager

*City of Arts & Innovation*

January 31, 2025

Courtyard By Marriott Riverside  
1510 University Ave  
Riverside, CA 92507-4468

Dear lodging provider,

On November 8, 2022 the City of Riverside provided Courtyard by Marriott Riverside ("You") an invoice for Transient Occupancy Tax (TOT) Audit Findings. The audit review period spanned the calendar years from January 1, 2019 through December 31, 2021. Subsequently, this office received written correspondence from You which questioned the applicability of RMC 5.32.020 and the City's application of the TOT related to several comped rooms. In the interest of evaluating the applicability of the TOT to Your invoice, the City has requested that You provide any additional information that You have to support Your claim that the comped rooms in question are not subject to the TOT. Specifically, the City has requested that You provide any documentation that You have that demonstrates that the comped rooms in question were comped to ownership.

To date, the City has not received any further documentation from Courtyard by Marriott Riverside to support its investigation, and it is the City's understanding, based on Your email correspondence on April 30, 2024, that Courtyard by Marriott Riverside is not in possession of any documentation to establish that the referenced comped rooms were comped to ownership. As such, the City has exhausted its review of this issue and writes to finalize its TOT audit finding invoice and final decision.

The City of Riverside strives to consistently apply the findings of the Finance Committee which has previously determined that comped rooms are taxable. On January 10, 2024, the Finance Committee during an appeal process with another hotel voted in favor of the City denying the hotel's appeal and upheld the findings that complimentary rooms are taxable. The City of Riverside referred to the TOT Ordinance (5.32.010 – Definitions) for guidance. The following formed the basis for identification of the taxable amount:

1. **"Occupancy"** means the use or possession, or the right or entitlement to the use or possession, of any room or rooms or portion thereof, in any hotel for dwelling, lodging or sleeping purposes.
2. **"Rent"** means the amount of the consideration charged or chargeable to the tenant or person entitled to occupancy, for the occupancy of space, valued in money

whether received in money, labor or otherwise, including the full value of receipts, cash, credits, property or services of any kind or nature, without any deduction whatsoever. This letter serves as notice that the City of Riverside's decision that complimentary rooms are taxable is final.

Consistent with the Finance Committee's prior findings, the TOT audit findings provided for in the attached invoice are considered final. In accordance with RMC Section 5.32.230 – Responsibility for Payment, please remit payment to the City of Riverside for the

[REDACTED] Please see below:

Findings	Taxable TOT	Tax Due	Penalties	Interest	Totals
[REDACTED]					

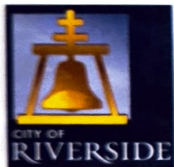
The City of Riverside values our relationship with Your establishment and has dedicated significant time and resources to working with You to resolve this matter. It is the hope of the City that this final decision letter brings this matter to a close. However, if You wish to dispute this TOT audit finding, please let this letter serve as notice that You are required to comply with Riverside Municipal Code 5.32.120, which provides for administrative appeal to the Finance Committee. Any such appeal must be filed "within 15 days after notice thereof by filing with the City Clerk a written notice of appeal, briefly stating in such notice the grounds relied upon for appeal. "

Thank you again for your time and consideration of this matter.

Sincerely,



Edward Enriquez  
Assistant City Manager/Chief Financial Officer



## Finance Department

*City of Arts & Innovation*

3900 Main Street  
Riverside, CA 92522

**RiversideCA.gov**

Courtyard By Marriott Riverside  
21520 Yorba Linda Blvd Ste 388  
Yorba Linda, Ca 92887-3762

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LYJ-SMM 92887







## Announcing the 2024 Business of the Year to be Honored at the 125th Inaugural Celebration!

'Greater Riverside Chambers of Commerce' via

Thu, Feb 13, 2025 at 10:35 AM

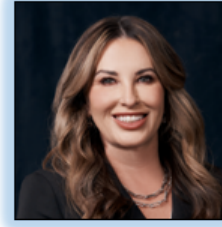
Reply-To: mmmacgregor@riverside-chamber.com  
To:



RIVERSIDE CONVENTION CENTER  
RECEPTION/SILENT AUCTION PROGRAM TIME  
6:00 PM 7:00 PM  
TIME PERIOD DRESS CODE PREFERRED  
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HONORING



**Presented  
By:**



## Gain Brand Visibility With Sponsorship Opportunities

*Sponsorship deadline is March 3, 2025.*

### Flux Capacitor - \$12,500

*Exclusive opportunity limited to three*

- Premier seating for two (2) tables of 12
- VIP Host of the Cocktail Reception/Silent Auction
- Logo visibility on all collateral material, including event invitation and event presentation
- Exclusive Title Sponsor recognition in *Greater Riverside Business*, at Good Morning Riverside, in *Chamber Communicator*, on Chamber website, at all Chamber functions, and Inaugural Celebration

### Johnny B. Goode - \$6,000

- Preferred seating for one (1) table of 12
- Logo visibility on all collateral material, including event invitation and event presentation
- Sponsor recognition in *Greater Riverside Business*, at Good Morning Riverside, in *Chamber Communicator*, on Chamber website, at Chamber functions and meetings, and Inaugural Celebration

### Power of Love - \$3,000

- Preferred seating for one (1) table of 10
- Logo visibility on event presentation

### Save the Clocktower - \$1,500

- Priority seating for six (6)
- Company name visibility on event presentation

- Sponsor recognition in *Greater Riverside Business*,  
at Good Morning Riverside,  
and Inaugural Celebration

**Individual Ticket (Dinner Included) - \$150**

## Ways to Engage With the Celebration



## DONATE TO SILENT AUCTION

Showcase your business by  
participating in our Silent Auction.

Share your photos from past  
Chamber Inaugural Celebrations to  
be displayed during the program.

- Business featured at Silent Auction table during the program
- Build Brand Recognition with over 500 attendees



Reservations must be canceled 72 hours prior to event. Failure to cancel in advance will result in registrant being billed for event, regardless of attendance.

For more information, contact Mary Megan MacGregor at  
[mmmacgregor@riverside-chamber.com](mailto:mmmacgregor@riverside-chamber.com) or 951-683-7100 ext. 220



Greater Riverside Chambers of Commerce | [3985 University Avenue](#) | [Riverside, CA 92501 US](#)

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2/20/25, 10:28 AM

Gmail - Announcing the 2024 Business of the Year to be Honored at the 125th Inaugural Celebration!

received this email by mistake and delete this email from your system. If you are not the intended recipient, you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.

THE GREATER RIVERSIDE CHAMBERS OF COMMERCE PRESENTS

# 125TH ANNUAL INAUGURAL CELEBRATION

DESTINATION DATE  
MAR 20 2025

RIVERSIDE CONVENTION CENTER

RECEPTION/SILENT AUCTION: 6:00 PM PROGRAM: 7:00 PM

## SILENT AUCTION DONOR AGREEMENT FORM

☐ YES! I would like to promote my company by contributing to the auction!

Today's Date: \_\_\_\_\_

Company/Individuals Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Item: ☐ Gift Certificate: ☐ Merchandise Donation

Description: \_\_\_\_\_

Value: \_\_\_\_\_

☐ Will mail my donation - The Greater Riverside Chambers of Commerce,  
ATTN: Shellena Padilla, 3985 University Ave., Riverside, CA 92501

☐ Will drop my donation off at the Chamber Office by 3/6/2025

Signature: \_\_\_\_\_ Print name: \_\_\_\_\_

Tax EIN: 95-

Donation form must be submitted and items received by 3/6/2025 to be included on event signage and program. For questions, contact Shellena Padilla at [spadilla@riverside-chamber.com](mailto:spadilla@riverside-chamber.com) or 951-683-7100 Ext. 208

Thank you for your support of the Chamber and our community.





**Courtyard by Marriott Riverside**  
1510 University Ave  
Riverside, CA 92507

09/05/2024

Attn: City of Riverside & HDL

TOT AUDIT DIVISION

Attention: Danielle Pilo-Ferguson

8839 N Cedar Ave Suite 212

Fresno, CA. 93720

Sent via Email and Mail

Totaudit@hdlcompanies.com

[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)

This is in response to the letter dated 08/23/24, postmarked 08/26/2024 in regards to the comped rooms bill assessed by the City to Courtyard by Marriott Riverside for the audit period of 2019 to 2021.

It is the burden of the City of Riverside to prove a hotel owes Transient Occupancy tax for any comp room.

**There were not and there are still no written instructions on any of these official documents:**

1. INSTRUCTIONS FOR FILING TRANSIENT OCCUPANCY TAX RETURN
2. City of Riverside Transient Occupancy Tax Return
3. Riverside, CA Code of Ordinances

informing any lodging operator to collect or to pay tax on any Comp rooms. These Comp rooms have no monetary value, and they are not used for guests or services therefore we are aggrieved and are appealing to the finance division to remove the erroneous taxes and fees billed.

Per RMC Section 5.32.120:

"Any operator aggrieved by any decision of the Tax tax, interest or Administrator with respect to the amount of any penalties, if any, may appeal to the Finance Committee within 15 days after notice thereof by filing with the City Clerk a written notice of appeal, briefly stating in such notice the grounds relied upon for appeal. If such appeal is made within the time prescribed, the City Clerk shall cause the matter to be set for hearing before the Finance Committee within 30 days from the date of receipt of such notice of appeal, giving the appellant not less than ten days' notice in writing of the time and place of hearing. The findings and determination of the Finance Committee at such hearing shall be final and

conclusive, and within three days after such findings and determination are made, the City Clerk shall give notice thereof to the appellant."

As stated in my letter dated 2/19/2023 as well as many of our prior email communications to the City, we are responding again to dispute the additional revenue added on to the mentioned period as the rooms comped rooms for ownership visits to the hotel. Since the rooms are for ownership and not for transient use, the rooms carry a \$0 dollar value, not a daily rate value, as they are not in exchange for goods, labor or services. They are not transient reserved rooms, there's no rent payment and no consideration charged, and as such hold no monetary value.

Based on the City's Transient Occupancy Tax Return Form AND written ordinance and definitions (see attached), we are disputing the bill assessed.

In ordinance 5.32.020 Transient tax is between the transient and the operator. The ordinance and the Transient Occupancy Tax Return Form do not state that the operator must pay the operator for reserving rooms for operators.

In definition ordinance 5.32.010 rent means the amount of the consideration charged or chargeable. Holding rooms for the operator's necessary operations is not amount that is charged or chargeable as it holds no monetary value whether in money, labor, or otherwise.

*Rent means the amount of the consideration charged or chargeable to the tenant or person entitled to occupancy, for the occupancy of space, valued in money whether received in money, labor or otherwise, including the full value of receipts, cash, credits, property or services of any kind or nature, without any deduction whatsoever.*

*For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of 11 percent of the rent charged by the operator. Effective July 1, 2012 and thereafter, each transient is subject to and shall pay a tax in the amount of 12 percent of the rent charged by the operator. Effective July 1, 2014 and thereafter, each transient is subject to and shall pay a tax in the amount of 13 percent of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid.*

**Airbnb (and other comparable lodging providers)** owners do not owe or pay occupancy tax when they inspect, visit, or stay on their own property for any portion of time for any reason. They do however pay TOT for transients renting a room. This would be the same for a hotel. If the Auditor chooses to retroactively and arbitrarily go only after hotel operators for reserving their own property, then the Auditor would also have to indiscriminately impose TOT to Airbnb and other lodging providers / owners for watching TV on their own couch, passing through or staying for any amount of time at their own house, condo, or cabin.

There is no value for an owner/operator to pay his or herself, and since the City clearly does not have an written ordinance stating otherwise, it is our stance that no tax is due and to that extent we dispute the tax bill assessed and penalties in its entirety.

**In the future** if the Auditor wishes to arbitrarily impose tax on owners / operators for anything else outside of "Total Receipts from Room Rentals", then the City must clearly state such requirement on the City website (attached), and also on the TOT Form itself (attached), and notify all current and past Payees of TOT. Owners / Operators also "use" rooms without paying itself for internal training, inspections,

repairs as part of regular operation. By the same token, if the City wishes to one day retroactively charge Sales Tax on Owners who logs any discount on their own products or services for food inventory purposes (for example, Food Service Operators / Owners performing Quality Inspection and/or subsequently disposes any portion of their own food while working on their premises; or Products Owners on any portion of their Inventory for Quality Inspection or Testing purposes), then the City should also clarify that on the all tax forms itself..

The Auditor cannot randomly make up additional tax requirement, when it's not stated on the Transient Occupancy Tax Return Form. No one should be expected to read 12 pages of tax codes on the website.

Item No.	Item Description
1	Total receipts from room rentals
2	Less Revenue Exempt from Tax*
3	Net taxable receipts
4	Tax at 13%
5	Penalty: 1 - 29 Days Late (10% of Line 4)
6	Penalty: 30 - 59 Days Late (25% of Line 4)
7	Penalty: 60 Days Late (50% of Line 4)
8	Interest: 1% per month, or fraction thereof, from date of delinquency
<b>TOTAL AMOUNT DUE</b>	

Thank you,

Chiangsun Wang, LLC Manager of Alliance Riverside Hospitality LLC

Attachments:

Riverside, CA Code of Ordinances

Transient Occupancy Tax Return Form & Instructions (Blank Form)

TOT Email Communications

HDL Email Communications



## Chapter 5.32

### TRANSIENT OCCUPANCY TAX

#### Sections:

5.32.010	Definitions.
5.32.020	Tax imposed.
5.32.030	Exemptions.
5.32.040	Operator's duties.
5.32.050	Registration.
5.32.060	Returns and remittances.
5.32.070	Reporting and remitting.
5.32.080	Cessation of business.
5.32.090	Delinquency.
5.32.100	Fraud.
5.32.110	Failure to collect and report tax--Determination of tax by Tax Administrator.
5.32.120	Administrative appeal.
5.32.125	Judicial review
5.32.130	Records.
5.32.140	Refunds.
5.32.150	Revocation of permit.
5.32.160	Closure of hotel without permit.
5.32.170	Recording certificate--Lien.
5.32.180	Priority and lien of tax.
5.32.190	Warrant for collection of taxes.
5.32.200	Seizure and sale.
5.32.210	Successor's liability--Withholding by purchaser.
5.32.220	Liability of purchaser--Release.
5.32.230	Responsibility for payment.
5.32.240	Withhold notice.
5.32.250	Violations--Misdemeanor.
5.32.260	Extension of time.
5.32.270	Confidentiality of records.
5.32.280	Severability.

#### Section 5.32.010 Definitions.

Except where the context otherwise requires, the definitions given in this section shall govern the construction of this chapter:

"Hotel" means any structure, which is occupied or intended or designed for use or occupancy by transients, including but not limited to dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof.

"Occupancy" means the use or possession, or the right or entitlement to the use or possession, of any room or rooms or portion thereof, in any hotel for dwelling, lodging or sleeping purposes.

"Operator" means the person who is proprietor of the hotel, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee, or any other capacity. Where the

operator performs management functions through a managing agent or any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as his principal. Compliance with the provisions of this chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.

"Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

"Rent" means the amount of the consideration charged or chargeable to the tenant or person entitled to occupancy, for the occupancy of space, valued in money whether received in money, labor or otherwise, including the full value of receipts, cash, credits, property or services of any kind or nature, without any deduction whatsoever.

"Tax Administrator" means the City Finance Director or designated agent.

"Transient" means any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement of whatever nature, for a period of thirty consecutive calendar days or less, counting portions of calendar days as full days. Any person so occupying space in a hotel shall be deemed to be a transient if his actual total period of occupancy does not exceed thirty days. Unless days of occupancy or entitlement to occupancy by one person are consecutive without any break, then prior to subsequent periods of such occupancy or entitled to occupancy shall not be counted when determining whether a period exceeds the stated thirty calendar days. (Ord. 6058 § 1, 1993; Ord. 3380 § 2, 1966)

#### **Section 5.32.020 Tax imposed.**

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of eleven percent of the rent charged by the operator. Effective July 1, 2012 and thereafter, each transient is subject to and shall pay a tax in the amount of twelve percent (12%) of the rent charged by the operator. Effective July 1, 2014 and thereafter, each transient is subject to and shall pay a tax in the amount of thirteen percent (13%) of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the Tax Administrator may require that such tax shall be paid directly to the Tax Administrator. (Ord. 7111 § 1, 2011; Ord. 6066 § 1, 1993; Ord. 6058 § 1, 1993; Ord. 5050 § 1, 1982; Ord. 3999 § 1, 1973; Ord. 3486 § 1, 1967; Ord. 3380 § 3, 1966)

#### **Section 5.32.030 Exemptions.**

A. No tax shall be imposed upon:

1. Any person as to whom or any occupancy as to which it is beyond the power of the City to impose the tax herein provided;
2. Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

B. No exemptions shall be granted except upon a claim therefor made at the time the rent is collected and under penalty of perjury upon a form prescribed by the Tax Administrator. (Ord. 6058 § 1, 1993; Ord. 3380 § 3, 1966)

#### **Section 5.32.040 Operator's duties.**

Each operator shall collect the tax imposed by this chapter to the same extent and at the

same time as the rent is collected from every transient. The amount of the tax shall be separately stated from the amount of the rent charged. No operator shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator; or that it will not be added to the rent; or that, if added, any part will be refunded except in the manner hereinafter provided. (Ord. 6058 § 1, 1993; Ord. 3380 § 5, 1966)

#### **Section 5.32.050 Registration.**

A. Every person desiring to engage in or conduct business as operator of a hotel renting to transients within the City shall file with the Tax Administrator an application for a transient occupancy registration permit for each place of business. Every application for such a permit shall be made upon a form prescribed by the Tax Administrator and shall set forth the name under which the applicant transacts or intends to transact business, the location of his place of business, and such other information as the Tax Administrator may require. The application shall be signed by the owner if a natural person, by a member or partner, if an association or partnership, by an executive officer or some person specifically authorized by the corporation to sign the application in the case of a corporation. The transient occupancy registration permit must be in effect at all times while the business is in operation and shall be at all times posted in a conspicuous place on the premises. Said permit shall, among other things, state the following:

1. Name of hotel;
2. Name of operator;
3. Hotel address;
4. The date upon which the permit was issued;
5. "This Transient Occupancy Registration Permit signifies that the person named on the face hereof has fulfilled the requirements of the Transient Occupancy Tax Chapter by registering with the Tax Administrator for the purpose of collecting from transients the Transient Occupancy Tax and remitting said tax to the Tax Administrator. This Permit does not authorize any person to conduct any unlawful business in an unlawful manner, nor operate a hotel without strictly complying with all applicable laws, including but not limited to those requiring a permit from any board, commission, department or office of this City. This Permit does not apply in lieu of such other permits which are otherwise required."

B. This certificate is nonassignable and nontransferable and shall be surrendered immediately to the tax collector upon cessation of business at the location named or upon the sale or transfer of the business or the real property on which the business is located.

C. At the time of making an application for a registration permit, the applicant shall pay a registration fee equal to the base tax of the business tax payment required for operation of a hotel as enumerated in Chapter 5.04 of the Riverside Municipal Code. The registration fee and the business tax payment are both required to operate a hotel.

D. It shall be unlawful to operate a hotel without a transient occupancy registration permit or to fail to post the certificate in a conspicuous place at all times. (Ord. 6058 § 1, 1993; Ord. 3380 § 6, 1966)

#### **Section 5.32.060 Returns and remittances.**

The tax imposed under Section 5.32.020 is:

- A. Due to the Tax Administrator at the time it is collected by the operator; and
- B. Becomes delinquent and subject to penalties if not received by the Tax Administrator on or before the fifteenth day of the month following the close of each calendar month. (Ord. 6058 § 1, 1993)

**Section 5.32.070      Reporting and remitting.**

A. Each operator shall, on or before the fifteenth calendar day of the month following the close of each calendar month, file a return with the Tax Administrator on forms provided, including any rentals charged for occupancies exempt under the provisions of Section 5.32.030, of the total rents charged and received and the amount of tax collected for transient occupancies. Each such return shall contain a declaration under penalty of perjury, executed by the operator or his authorized agent, that to the best of the signer's knowledge, the statements in the return are true, correct and complete. Amounts claimed on the return as exempt from the tax shall be fully itemized and explained on the return or supporting schedule. In determining the amount of "taxable receipts" on the tax return, "rent" as defined in Section 5.32.010 may not be reduced by any business expenses including but not limited to the amount of service charges deducted by credit card companies or commissions paid to travel agencies. At the time the return is filed, the tax fixed at the prevailing transient occupancy tax rate for the amount of rentals charged, and which are not exempt from the tax shall be remitted to the Tax Administrator.

B. The Tax Administrator may establish other, shorter reporting periods.

C. The Tax Administrator may require a cash deposit or bond or a separate trust fund bank account for any certificate holder if it is deemed necessary in order to insure receipt of the tax by the City, and the Tax Administrator may require additional information in the return.

D. All taxes collected by operators pursuant to this chapter shall be and remain public money, the property of the City and shall be held in trust for the account of the City until remittance thereof is made to the Tax Administrator. (Ord. 6058 § 1, 1993; Ord. 5050 § 2, 1982; Ord. 3380 § 7, 1966)

**Section 5.32.080      Cessation of business.**

Each operator shall notify the Tax Administrator ten days prior to the sale or cessation of business for any reason, and returns and remittances are due immediately upon the sale or cessation of business. (Ord. 6058 § 1, 1993)

**Section 5.32.090      Delinquency.**

Any operator who fails to remit any tax to the City or any amount of tax required to be collected and remitted to the City, including amounts based on determination made by the Tax Administrator under Section 5.32.110, within the time required, shall pay penalties of ten percent of the tax in addition to the tax amount due the first day on which the tax required to be collected becomes delinquent, twenty-five percent in addition to the tax amount due shall be imposed on the thirtieth day of delinquency, and fifty percent in addition to the tax amount due shall be imposed on the sixtieth day of delinquency. In addition, interest of one percent per month, or fraction thereof, shall be imposed from the date on which the tax required to be collected becomes delinquent until the day of payment. (Ord. 6058 § 1, 1993; Ord. 3380 § 8 (part), 1966)

**Section 5.32.100      Fraud.**

If the Tax Administrator determines that the failure to make any remittance or payment due under this chapter is due to fraud, a penalty of one hundred percent of the amount of the tax and penalties, shall be added thereto in addition to the penalties stated in Section 5.32.090. (Ord. 6058 § 1, 1993; Ord. 3380 § 8 (part), 1966)

**Section 5.32.110 Failure to collect and report tax--Determination of tax by Tax Administrator.**

If any operator fails or refuses to collect the tax and to make, within the time provided in this chapter, any report and remittance required by this chapter, the Tax Administrator shall obtain facts and information on which to base an estimate of the tax due. As soon as the Tax Administrator procures such facts and information upon which to base the assessment of any tax imposed by this chapter, the Tax Administrator shall proceed to determine and assess against the operator the tax, interest and penalties provided for by this chapter.

In case such determination is made, the Tax Administrator shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the operator so assessed at his last known address. Such operator may within ten days after the serving or within fifteen days after the mailing of such notice make application in writing to the Tax Administrator for a hearing on the amount assessed. If application by the operator for a hearing is not made within the time prescribed, the tax, interest and penalties, if any, determined by the Tax Administrator shall become final and conclusive and immediately due and payable. If such application is made, the Tax Administrator shall give not less than five days' written notice to the operator to show cause at a time and place fixed in said notice why the amount specified therein should not be fixed for such tax, interest and penalties. At such hearing, the operator may appear and offer evidence why such specified tax, interest and penalties should not be so fixed. After such hearing the Tax Administrator shall determine the proper tax to be remitted and shall thereafter give written notice to the person in the manner prescribed herein of the determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after fifteen days unless an appeal is taken as provided in Section 5.32.120. (Ord. 6058 § 1, 1993; Ord. 3380 § 9, 1966)

**Section 5.32.120 Administrative appeal.**

Any operator aggrieved by any decision of the Tax Administrator with respect to the amount of any tax, interest or penalties, if any, may appeal to the Finance Committee within fifteen days after notice thereof by filing with the City Clerk a written notice of appeal, briefly stating in such notice the grounds relied upon for appeal. If such appeal is made within the time prescribed, the City Clerk shall cause the matter to be set for hearing before the Finance Committee within thirty days from the date of receipt of such notice of appeal, giving the appellant not less than ten days' notice in writing of the time and place of hearing. The findings and determination of the Finance Committee at such hearing shall be final and conclusive, and within three days after such findings and determination are made, the City Clerk shall give notice thereof to the appellant. (Ord. 6058 § 1, 1993; Ord. 3380 § 10, 1966)

**Section 5.32.125 Judicial review.**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the City or an officer thereof, to prevent or enjoin the collection of taxes sought to be collected pursuant to this Chapter and payment of all tax, interest and penalties shall be required as a condition precedent to seeking judicial review of any tax liability. (Ord. 7055 § 1, 2, 2009)

**Section 5.32.130 Records.**

A. It shall be the duty of every operator liable for the collection and remittance to the City of any tax imposed by this chapter to keep and preserve, in the City, for a period of three years, records in such form as the Tax Administrator may require to determine the amount of

such tax.

B. The Tax Administrator or his designated agent shall have the right to inspect such records at all reasonable times.

C. Failure to allow inspection at all reasonable times shall be cause for revocation of the transient occupancy registration permit pursuant to Section 5.32.150.

D. It shall be unlawful to refuse to permit such inspection to be conducted after a lawful demand therefor by the Tax Administrator. (Ord. 6058 § 1, 1993; Ord. 3380 § 11, 1966)

#### **Section 5.32.140 Refunds.**

A. Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the City under this chapter, it may be refunded as provided in subsections B and C of this section provided a claim in writing therefor, stating under penalty of perjury the specific grounds upon which the claim is founded, is filed with the Tax Administrator within three years of the date of the payment. The claims shall be on forms furnished by the Tax Administrator.

B. An operator may claim a refund or take as credit against taxes collected and remitted the amount overpaid or paid more than once when it is established in a manner prescribed by the Tax Administrator that the person from whom the tax has been collected was not a transient; provided, however, that neither a refund nor a credit shall be allowed unless the amount of the tax so collected has either been refunded to the person or credited to rent subsequently payable by the person to the operator.

C. A transient may obtain a refund of taxes overpaid or paid more than once, and received by the City, by filing a claim in the manner provided in Subsection A of this section, but only when the tax was paid by the transient directly to the Tax Administrator, or when the transient having paid the tax to the operator establishes to the satisfaction of the Tax Administrator that the transient has been unable to obtain a refund from the operator who collected the tax.

D. No refund shall be paid under the provisions of this section unless the claimant establishes his right thereto by written records. (Ord. 6058 § 1, 1993; Ord. 3380 § 12, 1966)

#### **Section 5.32.150 Revocation of permit.**

A. Whenever any operator fails to comply with any provisions of this chapter relating to occupancy tax or any rule or regulation of the Tax Administrator relating to occupancy tax prescribed and adopted under this chapter, the Tax Administrator upon hearing, after giving the operator ten days' notice in writing specifying the time and place of hearing and requiring him to show cause why his permit or permits should not be revoked, may suspend or revoke any one or more of the permits held by the operator. The Tax Administrator shall give to the operator written notice of the suspension or revocation of any of his permits. The notices herein required may be served personally or by mail in the manner prescribed for service of notice of a deficiency determination. The Tax Administrator shall not issue a new permit after revocation of a permit unless he is satisfied that the former holder of the permit will comply with the provisions of this chapter relating to the occupancy tax and regulations of the Tax Administrator.

B. At the time of making application for a new permit, the applicant shall pay a registration fee equal to the base tax of the business tax payment required for operation of a hotel as enumerated in Chapter 5.04 of the Riverside Municipal Code. (Ord. 6058 § 1, 1993)

#### **Section 5.32.160 Closure of hotel without permit.**

During any period of time during which a permit has not been issued, or is suspended, revoked or otherwise not validly in effect, the Tax Administrator may require that the hotel be closed. (Ord. 6058 § 1, 1993)

**Section 5.32.170      Recording certificate--Lien.**

If any amount required to be remitted or paid to the City under this chapter is not remitted or paid when due, the Tax Administrator may, within three years after the amount is due file for record in the Office of the Riverside County Recorder a certificate specifying the amount of tax, penalties and interest due, the name and address as it appears on the records of the Tax Administrator of the operator liable for the same and the fact that the Tax Administrator has complied with all provisions of this chapter in the determination of the amount required to be remitted and paid. From the time of the filing for record, the amount required to be remitted together with penalties and interest constitutes a lien upon all real property in the County owned by the operator or afterwards and before the lien expires acquired by him. The lien has the force, effect and priority of a judgment lien and shall continue for ten years from the time of filing of the certificate unless sooner released or otherwise discharged. (Ord. 6058 § 1, 1993)

**Section 5.32.180      Priority and lien of tax.**

A. The amounts required to be remitted and/or paid by any operator under this chapter with penalties and interest shall be satisfied first in any of the following cases:

1. Whenever the person is insolvent;
2. Whenever the person makes a voluntary assignment of his assets;
3. Whenever the estate of the person in the hands of executors, administrators, or heirs is insufficient to pay all the debts due from the deceased;
4. Whenever the estate and effects of an absconding, concealed or absent person required to pay any amount under this chapter are levied upon by process of law. This chapter does not give the City a preference over any recorded lien which attached prior to the date when the amounts required to be paid became a lien.

B. The preference given to the City by this section shall subordinate to the preferences given to claims for personal service by Sections 1204 and 1206 of the Code of Civil Procedure. (Ord. 6058 § 1, 1993)

**Section 5.32.190      Warrant for collection of taxes.**

At any time within three years after any operator is delinquent in the remittance or payment of any amount herein required to be remitted or paid or within three years after the last recording of a certificate under Section 5.32.170, the Tax Administrator may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the City under this chapter. The warrant shall be directed to any Sheriff, Marshal or Constable and shall have the same effect as writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner with the same effect as a levy of and a sale pursuant to a writ of execution. The Tax Administrator may pay or advance to the Sheriff, Marshal or Constable the same fees, commissions and expenses for his services as are provided by law for similar services pursuant to a writ of execution. The Tax Administrator, and not the court, shall approve the fees for publication in a newspaper. (Ord. 6058 § 1, 1993)

**Section 5.32.200      Seizure and sale.**

At any time within three years after any operator is delinquent in the remittance or payment of any amount, the Tax Administrator may forthwith collect the amount in the following manner: The Tax Administrator shall seize any property, real or personal, of the operator and sell the property, or a sufficient part of it, at public auction to pay the amount due together with any penalties and interest imposed for the delinquency and any costs incurred on account of the seizure and sale. Any seizure made to collect occupancy taxes due shall be only of property of the operator not exempt from execution under the provisions of the Code of Civil Procedure. (Ord. 6058 § 1, 1993)

**Section 5.32.210 Successor's liability--Withholding by purchaser.**

If any operator liable for any amount under this chapter sells out his business or quits the business, his successor shall withhold sufficient of the purchase price to cover such amount until the former owner produces a receipt from the Tax Administrator showing that it has been paid or a certificate stating that no amount is due. (Ord. 6058 § 1, 1993)

**Section 5.32.220 Liability of purchaser--Release.**

If the purchaser of a hotel fails to withhold purchase price as required, he shall become personally liable for the payment of the amount required to be withheld by him to the extent of the purchase price, valued in money.

At the time purchaser applies and pays his business tax and requests a permit to operate a hotel, the Tax Administrator shall either issue the permit or give notice to the purchaser of the amount that must be paid as a condition of issuing the permit. Failure of the Tax Administrator to give notice of the amount due does not release liability of the purchaser. (Ord. 6058 § 1, 1993)

**Section 5.32.230 Responsibility for payment.**

Any tax required to be paid by any transient under the provisions of this chapter shall be deemed a debt owed by the transient to the City and payable through the operator. Any such tax collected by an operator which has not been remitted to the City is a fiduciary obligation of the operator to the City and collectible in the same manner as a debt. Any person owing money to the City under the provisions of this chapter shall be liable in an action brought in the name of the City of Riverside for the recovery of such amount. (Ord. 6058 § 1, 1993)

**Section 5.32.240 Withhold notice.**

If any person or operator is delinquent in the remittance or payment of the amount required to be remitted or paid by him or in the event a determination has been made against him for the remittance of tax and payment of the penalty, the City may, within three years after the tax obligation became due, give notice thereof personally or by registered mail to all persons, including the State or any political subdivision thereof, having in their possession or under their control any credits or other personal property belonging to the taxpayer. After receiving the withholding notice, the person so notified shall make no disposition of the taxpayer's credits, other personal property or debts until the City consents to a transfer or disposition or until sixty days elapse after the receipt of the notice, whichever expires earlier. All persons, upon receipt of said notice, shall advise the City immediately of all such credits, other personal property or debts in their possession, under their control or owing by them. If such notice seeks to prevent the transfer or other disposition of a deposit in a bank or other credits or personal property in the possession or under the control of the bank, to be effective the notice shall be delivered or mailed to the branch or office of such bank at which such deposit is carried or at which such credits or personal property is held. If any person so notified makes transfer or disposition of the property or debts required to be held hereunder during the effective period of the notice to withhold, he shall be liable to the City to the extent of the value of the release up to the amount of the indebtedness owed by the taxpayer to the City. (Ord. 6058 § 1, 1993)

**Section 5.32.250 Violations--Misdemeanor.**

A. Any operator or other person who knowingly or willfully fails or refuses to remit transient occupancy tax collections to the Tax Administrator prior to the time of delinquency is guilty of a misdemeanor.

B. Any person knowingly violating any of the provisions of this chapter shall be guilty of



a misdemeanor.

C. Any operator or other person who willfully fails or refuses to register as required herein, or to furnish any return required to be made, or who fails or refuses to furnish a supplemental return or other data required by the Tax Administrator, or who renders a false or fraudulent return or claim is guilty of a misdemeanor.

D. Any person required to make, render, sign or verify any report or claim who willfully makes any false or fraudulent report or claim with intent to defeat or evade the determination of any amount due required by this chapter to be made, is guilty of a misdemeanor.

E. The commencement of criminal proceedings shall neither preclude nor abate administration or civil actions to collect taxes due under this chapter. (Ord. 6058 § 1, 1993; Ord. 3380 § 14, 1966)

**Section 5.32.260      Extension of time.**

The Tax Administrator, for good cause, may extend not to exceed thirty days the time allotted to return or pay any transient occupancy tax, penalties and interest required under this chapter. The extension may be granted at any time, provided a request is filed with the Tax Administrator prior to the period for which the extension may be granted. Any person granted an extension shall pay, in addition to the tax, interest calculated at one percent per month or fraction thereof, from the date upon which the tax was due until the date of payment. (Ord. 6058 § 1, 1993)

**Section 5.32.270      Confidentiality of records.**

All records, returns and payments submitted by each operator shall be treated as confidential by the Tax Administrator and all persons having an administrative duty under this chapter and shall not be released except upon order of a court of competent jurisdiction or to an officer or agent of the United States, the State of California, the County of Riverside or the City of Riverside for official use only. (Ord. 6058 § 1, 1993)

**Section 5.32.280      Severability.**

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this chapter or any part thereof is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this chapter or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional. (Ord. 6058 § 1, 1993)

## Chapter 5.32 - TRANSIENT OCCUPANCY TAX

### 5.32.010 - Definitions.

Except where the context otherwise requires, the definitions given in this section shall govern the construction of this chapter:

*Hotel* means any structure, which is occupied or intended or designed for use or occupancy by transients, including but not limited to dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof.

*Occupancy* means the use or possession, or the right or entitlement to the use or possession, of any room or rooms or portion thereof, in any hotel for dwelling, lodging or sleeping purposes.

*Operator* means the person who is proprietor of the hotel, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee, or any other capacity. Where the operator performs management functions through a managing agent or any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as his principal. Compliance with the provisions of this chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.

*Person* means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

*Rent* means the amount of the consideration charged or chargeable to the tenant or person entitled to occupancy, for the occupancy of space, valued in money whether received in money, labor or otherwise, including the full value of receipts, cash, credits, property or services of any kind or nature, without any deduction whatsoever.

*Tax Administrator* means the City Finance Director or designated agent.

*Transient* means any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement of whatever nature, for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days. Any person so occupying space in a hotel shall be deemed to be a transient if his actual total period of occupancy does not exceed 30 days. Unless days of occupancy or entitlement to occupancy by one person are

consecutive without any break, then prior to subsequent periods of such occupancy or entitled to occupancy shall not be counted when determining whether a period exceeds the stated 30 calendar days.

(Ord. 6058 § 1, 1993; Ord. 3380 § 2, 1966)

#### 5.32.020 - Tax imposed.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of 11 percent of the rent charged by the operator. Effective July 1, 2012 and thereafter, each transient is subject to and shall pay a tax in the amount of 12 percent of the rent charged by the operator. Effective July 1, 2014 and thereafter, each transient is subject to and shall pay a tax in the amount of 13 percent of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the Tax Administrator may require that such tax shall be paid directly to the Tax Administrator.

(Ord. 7111 § 1, 2011; Ord. 6066 § 1, 1993; Ord. 6058 § 1, 1993; Ord. 5050 § 1, 1982; Ord. 3999 § 1, 1973; Ord. 3486 § 1, 1967; Ord. 3380 § 3, 1966)

#### 5.32.030 - Exemptions.

A. No tax shall be imposed upon:

1. Any person as to whom or any occupancy as to which it is beyond the power of the City to impose the tax herein provided;
2. Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

B. No exemptions shall be granted except upon a claim therefor made at the time the rent is collected and under penalty of perjury upon a form prescribed by the Tax Administrator.

(Ord. 6058 § 1, 1993; Ord. 3380 § 3, 1966)

#### 5.32.040 - Operator's duties.

Each operator shall collect the tax imposed by this chapter to the same extent and at the same time as the rent is collected from every transient. The amount of the tax shall be separately stated from the amount of the rent charged. No operator shall advertise or state in any manner, whether

directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator; or that it will not be added to the rent; or that, if added, any part will be refunded except in the manner hereinafter provided.

(Ord. 6058 § 1, 1993; Ord. 3380 § 5, 1966)

#### 5.32.050 - Registration.

- A. Every person desiring to engage in or conduct business as operator of a hotel renting to transients within the City shall file with the Tax Administrator an application for a transient occupancy registration permit for each place of business. Every application for such a permit shall be made upon a form prescribed by the Tax Administrator and shall set forth the name under which the applicant transacts or intends to transact business, the location of his place of business, and such other information as the Tax Administrator may require. The application shall be signed by the owner if a natural person, by a member or partner, if an association or partnership, by an executive officer or some person specifically authorized by the corporation to sign the application in the case of a corporation. The transient occupancy registration permit must be in effect at all times while the business is in operation and shall be at all times posted in a conspicuous place on the premises. Said permit shall, among other things, state the following:
1. Name of hotel;
  2. Name of operator;
  3. Hotel address;
  4. The date upon which the permit was issued;
  5. "This Transient Occupancy Registration Permit signifies that the person named on the face hereof has fulfilled the requirements of the Transient Occupancy Tax Chapter by registering with the Tax Administrator for the purpose of collecting from transients the Transient Occupancy Tax and remitting said tax to the Tax Administrator. This Permit does not authorize any person to conduct any unlawful business in an unlawful manner, nor operate a hotel without strictly complying with all applicable laws, including but not limited to those requiring a permit from any board, commission, department or office of this City. This Permit does not apply in lieu of such other permits which are otherwise required."
- B. This certificate is nonassignable and nontransferable and shall be surrendered immediately to the tax collector upon cessation of business at the location named or upon the sale or transfer of the business or the real property on which the business is located.
- C. At the time of making an application for a registration permit, the applicant shall pay a registration fee equal to the base tax of the business tax payment required for operation of a hotel as enumerated in Chapter 5.04 of the Riverside Municipal Code. The registration fee and the business tax payment are both required to operate a hotel.

- D. It shall be unlawful to operate a hotel without a transient occupancy registration permit or to fail to post the certificate in a conspicuous place at all times.

(Ord. 6058 § 1, 1993; Ord. 3380 § 6, 1966)

5.32.060 - Returns and remittances.

The tax imposed under Section 5.32.020 is:

- A. Due to the Tax Administrator at the time it is collected by the operator; and
- B. Becomes delinquent and subject to penalties if not received by the Tax Administrator on or before the fifteenth day of the month following the close of each calendar month.

(Ord. 6058 § 1, 1993)

5.32.070 - Reporting and remitting.

- A. Each operator shall, on or before the fifteenth calendar day of the month following the close of each calendar month, file a return with the Tax Administrator on forms provided, including any rentals charged for occupancies exempt under the provisions of Section 5.32.030, of the total rents charged and received and the amount of tax collected for transient occupancies. Each such return shall contain a declaration under penalty of perjury, executed by the operator or his authorized agent, that to the best of the signer's knowledge, the statements in the return are true, correct and complete. Amounts claimed on the return as exempt from the tax shall be fully itemized and explained on the return or supporting schedule. In determining the amount of "taxable receipts" on the tax return, "rent" as defined in Section 5.32.010 may not be reduced by any business expenses including but not limited to the amount of service charges deducted by credit card companies or commissions paid to travel agencies. At the time the return is filed, the tax fixed at the prevailing transient occupancy tax rate for the amount of rentals charged, and which are not exempt from the tax shall be remitted to the Tax Administrator.
- B. The Tax Administrator may establish other, shorter reporting periods.
- C. The Tax Administrator may require a cash deposit or bond or a separate trust fund bank account for any certificate holder if it is deemed necessary in order to insure receipt of the tax by the City, and the Tax Administrator may require additional information in the return.
- D. All taxes collected by operators pursuant to this chapter shall be and remain public money, the property of the City and shall be held in trust for the account of the City until remittance thereof is made to the Tax Administrator.

(Ord. 6058 § 1, 1993; Ord. 5050 § 2, 1982; Ord. 3380 § 7, 1966)

5.32.080 - Cessation of business.

Each operator shall notify the Tax Administrator ten days prior to the sale or cessation of business for any reason, and returns and remittances are due immediately upon the sale or cessation of business.

(Ord. 6058 § 1, 1993)

#### 5.32.090 - Delinquency.

Any operator who fails to remit any tax to the City or any amount of tax required to be collected and remitted to the City, including amounts based on determination made by the Tax Administrator under Section 5.32.110, within the time required, shall pay penalties of ten percent of the tax in addition to the tax amount due the first day on which the tax required to be collected becomes delinquent, 25 percent in addition to the tax amount due shall be imposed on the thirtieth day of delinquency, and 50 percent in addition to the tax amount due shall be imposed on the sixtieth day of delinquency. In addition, interest of one percent per month, or fraction thereof, shall be imposed from the date on which the tax required to be collected becomes delinquent until the day of payment.

(Ord. 6058 § 1, 1993; Ord. 3380 § 8 (part), 1966)

#### 5.32.100 - Fraud.

If the Tax Administrator determines that the failure to make any remittance or payment due under this chapter is due to fraud, a penalty of 100 percent of the amount of the tax and penalties, shall be added thereto in addition to the penalties stated in Section 5.32.090.

(Ord. 6058 § 1, 1993; Ord. 3380 § 8 (part), 1966)

#### 5.32.110 - Failure to collect and report tax—Determination of tax by Tax Administrator.

If any operator fails or refuses to collect the tax and to make, within the time provided in this chapter, any report and remittance required by this chapter, the Tax Administrator shall obtain facts and information on which to base an estimate of the tax due. As soon as the Tax Administrator procures such facts and information upon which to base the assessment of any tax imposed by this chapter, the Tax Administrator shall proceed to determine and assess against the operator the tax, interest and penalties provided for by this chapter.

In case such determination is made, the Tax Administrator shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the operator so assessed at his last known address. Such operator may within ten days after the serving or within 15 days after the mailing of such notice make application in writing

to the Tax Administrator for a hearing on the amount assessed. If application by the operator for a hearing is not made within the time prescribed, the tax, interest and penalties, if any, determined by the Tax Administrator shall become final and conclusive and immediately due and payable. If such application is made, the Tax Administrator shall give not less than five days' written notice to the operator to show cause at a time and place fixed in said notice why the amount specified therein should not be fixed for such tax, interest and penalties. At such hearing, the operator may appear and offer evidence why such specified tax, interest and penalties should not be so fixed. After such hearing the Tax Administrator shall determine the proper tax to be remitted and shall thereafter give written notice to the person in the manner prescribed herein of the determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after 15 days unless an appeal is taken as provided in Section 5.32.120.

(Ord. 6058 § 1, 1993; Ord. 3380 § 9, 1966)

#### 5.32.120 - Administrative appeal.

Any operator aggrieved by any decision of the Tax Administrator with respect to the amount of any tax, interest or penalties, if any, may appeal to the Financial Performance and Budget Committee within 15 days after notice thereof by filing with the City Clerk a written notice of appeal, briefly stating in such notice the grounds relied upon for appeal. If such appeal is made within the time prescribed, the City Clerk shall cause the matter to be set for hearing before the Financial Performance and Budget Committee within 30 days from the date of receipt of such notice of appeal, giving the appellant not less than ten days' notice in writing of the time and place of hearing. The findings and determination of the Financial Performance and Budget Committee at such hearing shall be final and conclusive, and within three days after such findings and determination are made, the City Clerk shall give notice thereof to the appellant.

(Ord. 7531 §5, 2020; Ord. 6058 § 1, 1993; Ord. 3380 § 10, 1966)

#### 5.32.125 - Judicial review.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the City or an officer thereof, to prevent or enjoin the collection of taxes sought to be collected pursuant to this chapter and payment of all tax, interest and penalties shall be required as a condition precedent to seeking judicial review of any tax liability.

(Ord. 7055 § 1, 2, 2009)

#### 5.32.130 - Records.

- A. It shall be the duty of every operator liable for the collection and remittance to the City of any tax imposed by this chapter to keep and preserve, in the City, for a period of three years, records in such form as the Tax Administrator may require to determine the amount of such tax.
- B. The Tax Administrator or his designated agent shall have the right to inspect such records at all reasonable times.
- C. Failure to allow inspection at all reasonable times shall be cause for revocation of the transient occupancy registration permit pursuant to Section 5.32.150.
- D. It shall be unlawful to refuse to permit such inspection to be conducted after a lawful demand therefor by the Tax Administrator.

(Ord. 6058 § 1, 1993; Ord. 3380 § 11, 1966)

#### 5.32.140 - Refunds.

- A. Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the City under this chapter, it may be refunded as provided in subsections B and C of this section provided a claim in writing therefor, stating under penalty of perjury the specific grounds upon which the claim is founded, is filed with the Tax Administrator within three years of the date of the payment. The claims shall be on forms furnished by the Tax Administrator.
- B. An operator may claim a refund or take as credit against taxes collected and remitted the amount overpaid or paid more than once when it is established in a manner prescribed by the Tax Administrator that the person from whom the tax has been collected was not a transient; provided, however, that neither a refund nor a credit shall be allowed unless the amount of the tax so collected has either been refunded to the person or credited to rent subsequently payable by the person to the operator.
- C. A transient may obtain a refund of taxes overpaid or paid more than once, and received by the City, by filing a claim in the manner provided in subsection A of this section, but only when the tax was paid by the transient directly to the Tax Administrator, or when the transient having paid the tax to the operator establishes to the satisfaction of the Tax Administrator that the transient has been unable to obtain a refund from the operator who collected the tax.
- D. No refund shall be paid under the provisions of this section unless the claimant establishes his right thereto by written records.

(Ord. 6058 § 1, 1993; Ord. 3380 § 12, 1966)

#### 5.32.150 - Revocation of permit.



- A. Whenever any operator fails to comply with any provisions of this chapter relating to occupancy tax or any rule or regulation of the Tax Administrator relating to occupancy tax prescribed and adopted under this chapter, the Tax Administrator upon hearing, after giving the operator ten days' notice in writing specifying the time and place of hearing and requiring him to show cause why his permit or permits should not be revoked, may suspend or revoke any one or more of the permits held by the operator. The Tax Administrator shall give to the operator written notice of the suspension or revocation of any of his permits. The notices herein required may be served personally or by mail in the manner prescribed for service of notice of a deficiency determination. The Tax Administrator shall not issue a new permit after revocation of a permit unless he is satisfied that the former holder of the permit will comply with the provisions of this chapter relating to the occupancy tax and regulations of the Tax Administrator.
- B. At the time of making application for a new permit, the applicant shall pay a registration fee equal to the base tax of the business tax payment required for operation of a hotel as enumerated in Chapter 5.04 of the Riverside Municipal Code.

(Ord. 6058 § 1, 1993)

#### 5.32.160 - Closure of hotel without permit.

During any period of time during which a permit has not been issued, or is suspended, revoked or otherwise not validly in effect, the Tax Administrator may require that the hotel be closed.

(Ord. 6058 § 1, 1993)

#### 5.32.170 - Recording certificate—Lien.

If any amount required to be remitted or paid to the City under this chapter is not remitted or paid when due, the Tax Administrator may, within three years after the amount is due file for record in the Office of the Riverside County Recorder a certificate specifying the amount of tax, penalties and interest due, the name and address as it appears on the records of the Tax Administrator of the operator liable for the same and the fact that the Tax Administrator has complied with all provisions of this chapter in the determination of the amount required to be remitted and paid. From the time of the filing for record, the amount required to be remitted together with penalties and interest constitutes a lien upon all real property in the County owned by the operator or afterwards and before the lien expires acquired by him. The lien has the force, effect and priority of a judgment lien and shall continue for ten years from the time of filing of the certificate unless sooner released or otherwise discharged.

(Ord. 6058 § 1, 1993)

#### 5.32.180 - Priority and lien of tax.

- A. The amounts required to be remitted and/or paid by any operator under this chapter with penalties and interest shall be satisfied first in any of the following cases:
1. Whenever the person is insolvent;
  2. Whenever the person makes a voluntary assignment of his assets;
  3. Whenever the estate of the person in the hands of executors, administrators, or heirs is insufficient to pay all the debts due from the deceased;
  4. Whenever the estate and effects of an absconding, concealed or absent person required to pay any amount under this chapter are levied upon by process of law. This chapter does not give the City a preference over any recorded lien which attached prior to the date when the amounts required to be paid became a lien.
- B. The preference given to the City by this section shall subordinate to the preferences given to claims for personal service by Sections 1204 and 1206 of the Code of Civil Procedure.

(Ord. 6058 § 1, 1993)

#### 5.32.190 - Warrant for collection of taxes.

At any time within three years after any operator is delinquent in the remittance or payment of any amount herein required to be remitted or paid or within three years after the last recording of a certificate under Section 5.32.170, the Tax Administrator may issue a warrant for the enforcement of any liens and for the collection of any amount required to be paid to the City under this chapter. The warrant shall be directed to any Sheriff, Marshal or Constable and shall have the same effect as writ of execution. The warrant shall be levied and sale made pursuant to it in the same manner with the same effect as a levy of and a sale pursuant to a writ of execution. The Tax Administrator may pay or advance to the Sheriff, Marshal or Constable the same fees, commissions and expenses for his services as are provided by law for similar services pursuant to a writ of execution. The Tax Administrator, and not the court, shall approve the fees for publication in a newspaper.

(Ord. 6058 § 1, 1993)

#### 5.32.200 - Seizure and sale.

At any time within three years after any operator is delinquent in the remittance or payment of any amount, the Tax Administrator may forthwith collect the amount in the following manner: The Tax Administrator shall seize any property, real or personal, of the operator and sell the property, or a sufficient part of it, at public auction to pay the amount due together with any penalties and

interest imposed for the delinquency and any costs incurred on account of the seizure and sale. Any seizure made to collect occupancy taxes due shall be only of property of the operator not exempt from execution under the provisions of the Code of Civil Procedure.

(Ord. 6058 § 1, 1993)

5.32.210 - Successor's liability—Withholding by purchaser.

If any operator liable for any amount under this chapter sells out his business or quits the business, his successor shall withhold sufficient of the purchase price to cover such amount until the former owner produces a receipt from the Tax Administrator showing that it has been paid or a certificate stating that no amount is due.

(Ord. 6058 § 1, 1993)

5.32.220 - Liability of purchaser—Release.

If the purchaser of a hotel fails to withhold purchase price as required, he shall become personally liable for the payment of the amount required to be withheld by him to the extent of the purchase price, valued in money.

At the time purchaser applies and pays his business tax and requests a permit to operate a hotel, the Tax Administrator shall either issue the permit or give notice to the purchaser of the amount that must be paid as a condition of issuing the permit. Failure of the Tax Administrator to give notice of the amount due does not release liability of the purchaser.

(Ord. 6058 § 1, 1993)

5.32.230 - Responsibility for payment.

Any tax required to be paid by any transient under the provisions of this chapter shall be deemed a debt owed by the transient to the City and payable through the operator. Any such tax collected by an operator which has not been remitted to the City is a fiduciary obligation of the operator to the City and collectible in the same manner as a debt. Any person owing money to the City under the provisions of this chapter shall be liable in an action brought in the name of the City of Riverside for the recovery of such amount.

(Ord. 6058 § 1, 1993)

5.32.240 - Withhold notice.

If any person or operator is delinquent in the remittance or payment of the amount required to be remitted or paid by him or in the event a determination has been made against him for the remittance of tax and payment of the penalty, the City may, within three years after the tax obligation became due, give notice thereof personally or by registered mail to all persons, including the State or any political subdivision thereof, having in their possession or under their control any credits or other personal property belonging to the taxpayer. After receiving the withholding notice, the person so notified shall make no disposition of the taxpayer's credits, other personal property or debts until the City consents to a transfer or disposition or until 60 days elapse after the receipt of the notice, whichever expires earlier. All persons, upon receipt of said notice, shall advise the City immediately of all such credits, other personal property or debts in their possession, under their control or owing by them. If such notice seeks to prevent the transfer or other disposition of a deposit in a bank or other credits or personal property in the possession or under the control of the bank, to be effective the notice shall be delivered or mailed to the branch or office of such bank at which such deposit is carried or at which such credits or personal property is held. If any person so notified makes transfer or disposition of the property or debts required to be held hereunder during the effective period of the notice to withhold, he shall be liable to the City to the extent of the value of the release up to the amount of the indebtedness owed by the taxpayer to the City.

(Ord. 6058 § 1, 1993)

#### 5.32.250 - Violations—Misdemeanor.

- A. Any operator or other person who knowingly or willfully fails or refuses to remit transient occupancy tax collections to the Tax Administrator prior to the time of delinquency is guilty of a misdemeanor.
- B. Any person knowingly violating any of the provisions of this chapter shall be guilty of a misdemeanor.
- C. Any operator or other person who willfully fails or refuses to register as required herein, or to furnish any return required to be made, or who fails or refuses to furnish a supplemental return or other data required by the Tax Administrator, or who renders a false or fraudulent return or claim is guilty of a misdemeanor.
- D. Any person required to make, render, sign or verify any report or claim who willfully makes any false or fraudulent report or claim with intent to defeat or evade the determination of any amount due required by this chapter to be made, is guilty of a misdemeanor.
- E. The commencement of criminal proceedings shall neither preclude nor abate administration or civil actions to collect taxes due under this chapter.

(Ord. 6058 § 1, 1993; Ord. 3380 § 14, 1966)

5.32.260 - Extension of time.

The Tax Administrator, for good cause, may extend not to exceed 30 days the time allotted to return or pay any transient occupancy tax, penalties and interest required under this chapter. The extension may be granted at any time, provided a request is filed with the Tax Administrator prior to the period for which the extension may be granted. Any person granted an extension shall pay, in addition to the tax, interest calculated at one percent per month or fraction thereof, from the date upon which the tax was due until the date of payment.

(Ord. 6058 § 1, 1993)

5.32.270 - Confidentiality of records.

All records, returns and payments submitted by each operator shall be treated as confidential by the Tax Administrator and all persons having an administrative duty under this chapter and shall not be released except upon order of a court of competent jurisdiction or to an officer or agent of the United States, the State of California, the County of Riverside or the City of Riverside for official use only.

(Ord. 6058 § 1, 1993)

5.32.280 - Severability.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this chapter or any part thereof is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this chapter or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional.

(Ord. 6058 § 1, 1993)

# CITY OF RIVERSIDE

## INSTRUCTIONS FOR FILING TRANSIENT OCCUPANCY TAX RETURN

1. **Effective July 1, 2014**, each transient occupant shall pay a tax in the amount of thirteen percent (13%) of the rent charged by the hotel/motel operator for occupying space for thirty consecutive days or less. The tax is collected at the same time the rent is collected and is to be held in trust for the account of the City until payment is made to the Finance Director-Tax Administrator.
2. A tax return must be filed with the Finance Director-Tax Administrator, City of Riverside, on or before the fifteenth (15<sup>th</sup>) calendar day of the month following the close of each calendar month, **EVEN IF THERE IS NO TAX DUE**. If the fifteenth (15<sup>th</sup>) falls on a Saturday, Sunday or Holiday, the next workday is the due date. Failure to pay TOT by the due date will result in penalties being assessed.
3. **DELINQUENT DATE**: The sixteenth (16<sup>th</sup>) day of the month following the close of the reporting period is the delinquent date. For example: January's monthly report will be delinquent and subject to penalties and interest if filed on or after February 16.
4. **PENALTY SCHEDULE**: The following penalty rate will be added to the amount of taxed owed: 10% the first day late, 25% on the thirtieth day of delinquency, and 50% on the sixtieth day of delinquency.
5. **INTEREST**: In addition to penalties, interest of 1% per month or fraction thereof will be included on delinquent payments.
6. **PAYMENT**: Payment can be made either online, in person, or by mail. The TOT Return Form (.pdf), located on the City website, must be used when submitting your payment, no matter which payment option you choose.
7. **EXEMPTION CLAIMS**: Exemptions on the Monthly Transient Occupancy Tax Returns **will not be accepted** without the **Transient Occupancy Tax Exemption Claim form being completed**. Late exemption claims **will not** be accepted. The Transient Occupancy Tax will be recalculated and penalty and interest will be added to the outstanding balance.
8. **RECORDS SUSTANTIATING THE TAX RETURN** must be retained by the operator for a period of not less than three (3) years from the date of payment.
9. **ADDRESS OR OWNERSHIP CHANGE**: Must be reported immediately to the Business Tax Office. **NOTE**: Transient Occupancy Taxes are due and payable immediately upon cessation of business for any reason, i.e., foreclosure, assignment of a receiver, business sold, etc.

Please contact the Business Tax Office at (951) 826-5465 for additional information.



## City of Riverside

# Transient Occupancy Tax Return

Please complete items 1 - 8 and return this notice with your payment information on or before the 15 th day of the month.

Business Name \_\_\_\_\_ Tax Month \_\_\_\_\_  
Business Address \_\_\_\_\_ Tax Year \_\_\_\_\_  
Owner Name \_\_\_\_\_ Email Address \_\_\_\_\_

Item No.	Item Description	Amount
1	Total receipts from room rentals	
2	Less Revenue Exempt from Tax*	
3	Net taxable receipts	
4	Tax at 13%	
5	Penalty: 1 - 29 Days Late (10% of Line 4)	
6	Penalty: 30 - 59 Days Late (25% of Line 4)	
7	Penalty: 60 Days Late (50% of Line 4)	
8	Interest: 1% per month, or fraction thereof, from date of delinquency	
TOTAL AMOUNT DUE		

\*PLEASE ITEMIZE EXEMPTIONS ON THE EXEMPTION FORM. IF YOU HAVE NO EXEMPTIONS PROCEED TO THE PAYMENT FORM.

I declare under penalty of making a false statement, that to the best of my knowledge and belief the statements herein are correct and true.

Current Date \_\_\_\_\_  
\_\_\_\_\_  
Typing your name here constitutes your digital  
signature  
Title \_\_\_\_\_

COMPLETE ACH AUTHORIZATION FORM TO PAY VIA ELECTRONIC ACH PAYMENT.

Email completed tax and ACH payment authorization form to [BT-TOT@riversideca.gov](mailto:BT-TOT@riversideca.gov) .

COR GL ACCT 0000101-313000

3900 Main Street Riverside, CA 92522 951-826-5465 fax 951-826-2356 [www.riversideca.gov](http://www.riversideca.gov)

**CITY OF RIVERSIDE**  
**TRANSIENT OCCUPANCY TAX EXEMPTION CLAIM FORM**

Business Name \_\_\_\_\_

Tax Month \_\_\_\_\_

Tax Year \_\_\_\_\_

PLEASE COMPLETE ALL LINE ITEMS, INCOMPLETE FORMS WILL NOT BE ACCEPTED.

ROOM NO.	GUEST/ORGANIZATION NAME	CHECK-IN DATE	CLAIM PERIOD		Amount
			FROM	TO	
Total					

PERSONS QUALIFYING FOR EXEMPTION FROM TRANSIENT OCCUPANCY TAX

1. Any person whose room rent is paid directly by a government agency or by a credit card from a governmental agency, not a personal creditcard.
2. Any officer or employee of a foreign government.
3. Any person occupying space for a period of thirty (30) days or more.
4. Any person whose room rent is being paid directly by a tax exempt organization.



**CITY OF RIVERSIDE**  
**TRANSIENT OCCUPANCY TAX ACH AUTHORIZATION FORM**

Business Name

Tax Month

Tax Year

The City of Riverside is hereby authorized to originate an Automated Clearing House (ACH) debit entry to the account indicated below for payment of Transient Occupancy Tax.

Banking Information:

Account Type

Name on Bank Account

Bank Routing Number

Bank Account #

**TOTAL AMOUNT DUE**

Authorized Name/Title

Date

Typing your name here constitutes your digital signature

Your Name  
Your Address  
City, State, Zip

DATE

Pay to the Order of

\$

dollars

memo

999999999 0230 1234567890

9 digit ABA Routing Nbr (DO NOT ENTER CHK NO.) Account Number

---

**From:** Andrea Richard  
**Sent:** Monday, July 22, 2024 10:29 AM  
**To:** Sanchez, Daniel  
**Cc:** Nemes, Julie  
**Subject:** RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

Hi Daniel,

Please see attached statement from owners.

*Thank you,*  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951) 356-2125

---

**From:** [Sanchez, Daniel](#)  
**Sent:** Friday, July 12, 2024 11:16 AM  
**To:** [Andrea Richard](#)  
**Cc:** [Nemes, Julie](#)  
**Subject:** RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

Hello Andrea,

I am just following up. We still have not received the ownership statement that was discussed. Is there an update on when this statement will be sent out? Please let me know as soon possible.

Thank you,

**Daniel Sanchez**  
**Business Tax Supervisor**  
City of Riverside  
Finance Department, Business Tax Division  
Main: 951.826-5465  
Direct: 951.826-5763  
[RiversideCA.gov](http://RiversideCA.gov)

---

**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Sent:** Monday, July 1, 2024 4:00 PM

**To:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>

**Subject:** [EXTERNAL] RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

**CAUTION: This email originated from outside the City of Riverside. It was not sent by any City official or staff. Use caution when opening attachments or links.**

Hi Daniel,

Ownership would like to wait until they return. Please give us until next week to send out ownerships statement.

*Thank you,*  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951) 356-2125

---

**From:** [Sanchez, Daniel](#)

**Sent:** Friday, June 28, 2024 7:14 AM

**To:** [Andrea Richard](#)

**Subject:** RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

Hello Andrea,

Thank you for keeping me updated. We would still like to schedule a meeting for some time next week if possible. Please let us know your availability and I can coordinate a meeting. Thank you very much.

Thank you,

**Daniel Sanchez**  
**Business Tax Supervisor**  
City of Riverside  
Finance Department, Business Tax Division  
Main: 951.826-5465  
Direct: 951.826-5763  
[RiversideCA.gov](http://RiversideCA.gov)

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**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>

**Sent:** Thursday, June 27, 2024 11:45 AM

To: Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>

Subject: [EXTERNAL] RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

**CAUTION: This email originated from outside the City of Riverside. It was not sent by any City official or staff. Use caution when opening attachments or links.**

Hi Daniel,

Ownership has been out of the country and will not be back until early July. I should have a statement from them to send you at that time. Thank you for your patience.

*Thank you,*  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951) 356-2125

---

**From:** [Sanchez, Daniel](#)

**Sent:** Wednesday, June 26, 2024 11:20 AM

**To:** [Andrea Richard](#)

**Subject:** COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

Hello Andrea,

I hope all is well. We are following up because we still have not received documentation confirming that the rooms in question were comped to ownership. In order to consider your position, we would need to receive proof that ownership did indeed occupy the rooms stated. If you could please let me know your availability next week, we could schedule a meeting to discuss this in more detail along with HdL. Thank you very much for your time and I hope you have a great day.

Thank you,

**Daniel Sanchez**  
**Business Tax Supervisor**  
City of Riverside  
Finance Department, Business Tax Division  
Main: ~~951.826-5465~~  
Direct: ~~951.826-5763~~  
[RiversideCA.gov](http://RiversideCA.gov)

---

**From:** Sanchez, Daniel  
**Sent:** Wednesday, May 1, 2024 8:16 AM  
**To:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Subject:** RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

Hello Andrea,

Yes, if you could please have them provide a written statement. Once received I will present the statement to upper management for review.

Thank you,

**Daniel Sanchez**  
**Business Tax Supervisor**  
City of Riverside  
Finance Department, Business Tax Division  
Main: 951.826-5465  
Direct: 951.826-5763  
[RiversideCA.gov](http://RiversideCA.gov)

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**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Sent:** Tuesday, April 30, 2024 12:14 PM  
**To:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>  
**Subject:** [EXTERNAL] RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

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Hi Daniel,

There isn't any documentation to show. The room information is blank as they were just holding rooms. If you need a statement as proof then let me know and I can speak with them about providing that.

*Thank you,*  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951) 356-2125

---

**From:** [Sanchez, Daniel](#)

**Sent:** Tuesday, April 30, 2024 11:35 AM

**To:** [Andrea Richard](#)

**Subject:** RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

Hello Andrea,

I have followed up with HdL and they advised that they have not received any documentation showing that the comped rooms in question were comped to ownership. Do you have any documentation that would support your stance that these rooms were comped to ownership? If so, please provide the documentation as soon as you can so they can be reviewed. If you have any questions, please feel free to call me on my direct line 951.826-5763 or respond to this email.

Thank you,

**Daniel Sanchez**

**Business Tax Supervisor**

City of Riverside

Finance Department, Business Tax Division

Main: 951.826-5465

Direct: 951.826-5763

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---

**From:** Sanchez, Daniel

**Sent:** Wednesday, April 24, 2024 10:14 AM

**To:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>

**Subject:** COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

Hello Andrea,

I hope your day is going well. Thank you very much for providing us with your dispute. Are you free today to discuss? If so, please let me know when you are available so we can discuss this further.

Thank you,

**Daniel Sanchez**

**Business Tax Supervisor**

City of Riverside

Finance Department, Business Tax Division

Main: 951.826-5465

Direct: 951.826-5763

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**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Sent:** Tuesday, April 23, 2024 4:54 PM  
**To:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>  
**Subject:** [EXTERNAL] RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

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Hi Daniel,

Based on the City's ordinance and definitions we are disputing the bill assessed.

In ordinance 5.32.020 Transient tax is between the transient and the operator. The ordinance does not state that the operator must pay the operator for the need to reserve rooms for operators hotel operations.

5.32.020 - Tax imposed.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of 11 percent of the rent charged by the operator. Effective July 1, 2012 and thereafter, each transient is subject to and shall pay a tax in the amount of 12 percent of the rent charged by the operator. Effective July 1, 2014 and thereafter, each transient is subject to and shall pay a tax in the amount of 13 percent of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the Tax Administrator may require that such tax shall be paid directly to the Tax Administrator.

(Ord. 7111 § 1, 2011; Ord. 6066 § 1, 1993; Ord. 6058 § 1, 1993; Ord. 5050 § 1, 1982; Ord. 3999 § 1, 1973; Ord. 3486 § 1, 1967; Ord. 3380 § 3, 1966)

In definition ordinance 5.32.010 rent means the amount of the consideration charged or chargeable. Holding rooms for the operator's necessary operations is not amount that is charged or chargeable as it holds no monetary value whether in money, labor, or otherwise.

*Rent means the amount of the consideration charged or chargeable to the tenant or person entitled to occupancy, for the occupancy of space, valued in money whether received in money, labor or otherwise, including the full value of receipts, cash, credits, property or services of any kind or nature, without any deduction whatsoever.*

*For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of 11 percent of the **rent charged by the operator**. Effective July 1, 2012 and thereafter, each transient is subject to and shall pay a tax in the amount of 12 percent of the rent charged by the operator. Effective July 1, 2014 and thereafter, each transient is subject to and shall pay a tax in the amount of 13 percent of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid.*

Airbnb owners do not pay occupancy tax when they stay on their own property. They do however pay TOT for transients renting a room. This would be the same for a hotel. If the City chooses to go after hotel operators for using their own property for business as usual then the City would also have to impose TOT to Airbnb owners for staying at their own house, condo, or cabin. There is no value for an owner/operator to pay his or herself, and since the City clearly does not have an ordinance stating otherwise, it is our stance that no tax is due and to that extent we dispute the tax bill assessed and penalties in its entirety.

Thank you,  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951) 356-2125

---

**From:** [Sanchez, Daniel](#)  
**Sent:** Tuesday, April 9, 2024 1:46 PM  
**To:** [Andrea Richard](#)  
**Subject:** COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

Hello Andrea,

Thank you for bringing your concerns regarding Comped Rooms to our attention. I understand the importance of clarity on these matters and appreciate your diligence in seeking clarification.

During the TOT audit, HdL referred to the City of Riverside's TOT ordinance (5.32.010 – Definitions) for guidance. The following form the basis for identification the taxable amount:

1. **“Occupancy”** means the use or possession, or the right or entitlement to the use or possession, of any room or rooms or portion thereof, in any hotel for dwelling, lodging or sleeping purposes.
2. **“Rent”** means the amount of the consideration charged or chargeable to the tenant or person entitled to occupancy, for the occupancy of space, valued in money whether received in money, labor or otherwise, including the full value of receipts, cash, credits, property or services of any kind or nature, without any deduction whatsoever.



In alignment with the definitions above, comped rooms involve a transfer of value from the operator to the beneficiary, the guest. Comped Rooms are valued in money, as they provide enrichment or benefit to the operator in a non-monetary form but in a form valued in money and deemed as 'otherwise,' per the definition of "Rent".

Thank you,

**Daniel Sanchez**

**Business Tax Supervisor**

City of Riverside

Finance Department, Business Tax Division

Main: 951 826-5465

Direct: 951 826-5763

[RiversideCA.gov](http://RiversideCA.gov)

---

**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>

**Sent:** Tuesday, April 9, 2024 9:50 AM

**To:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>

**Subject:** Re: [EXTERNAL] Re: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

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Hi Daniel,

Yes, I'm available until 12p today.

On Tue, Apr 9, 2024, 7:40 AM Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)> wrote:

Hello Andrea,

I wanted to see if you were available today for a phone call. Just wanted to follow up after my conversation with our Assistant City Manager. Please let me know your availability at your earliest convenience.

Thank you,

**Daniel Sanchez**

**Business Tax Supervisor**

City of Riverside

Finance Department, Business Tax Division

Main: 951 826-5465

Direct: 951 826-5763

[RiversideCA.gov](http://RiversideCA.gov)

---

**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>

**Sent:** Wednesday, April 3, 2024 11:00 AM

**To:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>

**Subject:** [EXTERNAL] Re: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

**CAUTION: This email originated from outside the City of Riverside. It was not sent by any City official or staff. Use caution when opening attachments or links.**

Hi Daniel,

Tomorrow at 11am works for me. Please send the invite to my email address.

On Wed, Apr 3, 2024, 8:51 AM Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)> wrote:

Hello Andrea,

So, we are able to meet tomorrow 04/04/2024 at 11am. I will send the meeting invite to yourself and our HdL audit representative.

Who should I send the meeting invite to on your end? Please provide me the emails at your earliest convenience.

Thank you,

**Daniel Sanchez**

**Business Tax Supervisor**

City of Riverside

Finance Department, Business Tax Division

Main: 951 826-5465

Direct: 951 826-5763

[RiversideCA.gov](http://RiversideCA.gov)

---

**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Sent:** Tuesday, April 2, 2024 4:36 PM  
**To:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>  
**Subject:** [EXTERNAL] RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

**CAUTION: This email originated from outside the City of Riverside. It was not sent by any City official or staff. Use caution when opening attachments or links.**

Hi Daniel,

I can do tomorrow at 10am or Thursday at anytime between 10-12p

*Thank you,*  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951) 356-2125

---

**From:** [Sanchez, Daniel](#)  
**Sent:** Tuesday, April 2, 2024 4:32 PM  
**To:** [Andrea Richard](#)  
**Subject:** RE: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

Hello Andrea,

Thank you very much for the prompt response. If you could let me know what your availability looks like for the rest of the week possibly. I would like to have HdL on the call as well being that they conducted the TOT audit and if we are all on the call together most questions can be answered. Please let me know at your earliest convenience and I can coordinate to have an audit representative from HdL on the call.

---

**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Sent:** Tuesday, April 2, 2024 4:28 PM  
**To:** Sanchez, Daniel <[DSanchez@riversideca.gov](mailto:DSanchez@riversideca.gov)>  
**Cc:** Alice Hsu <[alice.hsu@johnsonhospitalitygroup.com](mailto:alice.hsu@johnsonhospitalitygroup.com)>  
**Subject:** [EXTERNAL] FW: COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

**CAUTION: This email originated from outside the City of Riverside. It was not sent by any City official or staff. Use caution when opening attachments or links.**

Hello Daniel,

I am free tomorrow morning, please let me know what time works for you.

*Thank you,*  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951) 356-2125

---

**From:** [Sanchez, Daniel](#)

**Sent:** Tuesday, April 2, 2024 1:43 PM

**To:** [Accounting@CourtyardRiverside.com](mailto:Accounting@CourtyardRiverside.com)

**Subject:** COURTYARD BY MARRIOTT RIVERSIDE (TOT AUDIT, COMPED ROOMS)

Hello,

This is Daniel Sanchez, the Business Tax Supervisor with the City of Riverside. I am following up regarding the TOT audit that was conducted in 2022 and the outstanding balance owed for comped rooms not reported. I do show record that the fees owed are being disputed (please see attachment). Please let me know when you are free, and we can discuss this further. Look forward to hearing from you soon.

**Daniel Sanchez**

**Business Tax Supervisor**

City of Riverside

Finance Department, Business Tax Division

Main: 951 826-5465

Direct: 951 826-5763

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**From:** Keri Calloway  
**Sent:** Monday, December 19, 2022 9:34 AM  
**To:** Andrea Richard  
**Subject:** RE: TOT Audit Findings Response- Courtyard by Marriott Riverside

Andrea,  
Please put something in writing that I can send over to the city for review on the comped rooms.  
Thanks,

**Keri Calloway** Audit Manager  
[hdlcompanies.com](http://hdlcompanies.com) 205-552-9038  
Powerful Solutions, Proven Results

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**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Sent:** Thursday, December 8, 2022 5:58 PM  
**To:** Keri Calloway <[KCalloway@hdlcompanies.com](mailto:KCalloway@hdlcompanies.com)>  
**Subject:** RE: TOT Audit Findings Response- Courtyard by Marriott Riverside

Hi Keri,

This is very helpful, thank you for putting this together. How do we do an adjustment on the comped rooms total for rooms comped for ownership stays? The very frequently stay at their own property and those comps would not hold a value.

Thank you,  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951).356-2125

---

**From:** [Keri Calloway](#)  
**Sent:** Thursday, December 8, 2022 7:35 AM  
**To:** [Andrea Richard](#)  
**Subject:** RE: TOT Audit Findings Response- Courtyard by Marriott Riverside

Andrea,

I am so sorry, I did the breakdown saved on my computer and did not email to you. I have attached the findings for the comped room calculations. Please review.

Thanks,

**Keri Calloway** Audit Manager  
[hdlcompanies.com](http://hdlcompanies.com) 205-552-9038  
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**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Sent:** Wednesday, December 7, 2022 5:43 PM  
**To:** Keri Calloway <[KCalloway@hdlcompanies.com](mailto:KCalloway@hdlcompanies.com)>  
**Subject:** FW: TOT Audit Findings Response- Courtyard by Marriott Riverside

Hi Keri,

Hope all is well. Just following up on our call from last Monday.

You mentioned you would look into the detail from the auditor and send over the breakdown of both the audit and the breakdown for finding 1 and 2 individually.

Can you send that over when you get a chance?

Thank you,  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951).356-2125

---

**From:** [Danielle Pilo-Ferguson](#)  
**Sent:** Tuesday, November 22, 2022 11:30 AM  
**To:** [Andrea Richard](#)  
**Subject:** RE: TOT Audit Findings Response- Courtyard by Marriott Riverside

Ms. Richard,

I am contacting you let you know I will be to scheduling a teleconference with the Audit Manager Keri Calloway regarding the Audit Findings questions you may have.

Danielle Pilo-Ferguson Audit Coordinator

[hdlcompanies.com](http://hdlcompanies.com) 559.221.4710

Powerful Solutions, Proven Results



---

**From:** Andrea Richard <[accounting@courtyardriverside.com](mailto:accounting@courtyardriverside.com)>  
**Sent:** Wednesday, November 16, 2022 4:52 PM  
**To:** [totaudit@hdlcompanies.com](mailto:totaudit@hdlcompanies.com)  
**Cc:** Alice Hsu <[alice.hsu@johnsonhospitalitygroup.com](mailto:alice.hsu@johnsonhospitalitygroup.com)>  
**Subject:** TOT Audit Findings Response- Courtyard by Marriott Riverside

Hello,

We received the attached letter. Both finding 1 & 2 referenced in the attached are incorrect.

Finding 1: Why would rooms of \$0 value need to be included in rent and taxed. If the value of the room is \$0 then the tax is also \$0.

According to **Riverside County Ordinance No 495 ""Rent" means the consideration charged"**

Finding 2: Why would tourism tax be included in the reporting rent? Rental income is calculated, then taxed CTAF. Adding CTAF tax onto the backend of rental income and then re-taxing it would result in double tax. This is not accurate.

Please provide the ordinance codes from the City/County that states:

1. \$0 value rooms are to be taxed.
2. CTAF is to be taxed twice.




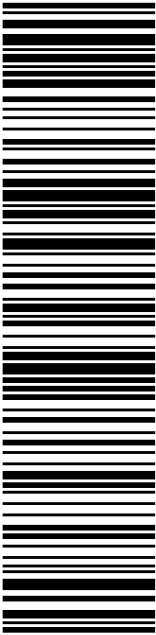

Please also send a detailed report and backup showing the calculations used to come up with the figures provided to us in the attached letter.

Thank you,  
Andrea Richard  
Accounting Dept.  
Courtyard By Marriott Riverside  
P (951) 268- 4390  
F (951) 356-2125

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**From:** ALICE HSU  
 ALLIANCE RIVERSIDE HOSPITALITY, LLC  
 21520 YORBA LINDA BLVD # G-388  
 YORBA LINDA CA 92887-3762

**To:** DANIELLE PILO-FERGUSON  
 TOT AUDIT DIVISION  
 PMB 212  
 8839 N CEDAR AVE  
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and Short-Term Rentals

# HdL Lodging Tax



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Experienced  
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## About Us

Founded in 1983, the HdL Companies are dedicated to helping cities, counties, and special districts achieve their financial goals. We provide solutions to help you increase efficiency, enhance revenue streams, and plan effective economic strategies.



### Revenue Management Services

*Rest easy, we've got this.*

Discovery, compliance, collections, audits, payments, taxpayer support, software fees, mail handling, and postage - Let HdL's experienced revenue management team handle all of these challenges for you, so you can focus your team's efforts on other areas of strategic importance. HdL's Revenue Management Service will help you improve customer service through use of the latest technologies and best practices, increase revenues through efficient collections and dedicated attention to compliance, and decrease cost of operations due to HdL's economies of scale.



### Audit Services

*Maximize compliance and revenues without straining business relations.*

HdL's Audit Program involves a business friendly approach that reduces administrative costs and provides you with assurances of future compliance and reporting practices from your lodging industry. To increase compliance, our team of experts will provide an education focused approach ensuring that lodging providers are clear on reporting requirements and methodology, resulting in recaptured revenues to maximize these revenue streams.



### Short-Term Rental Compliance Services

*Identify short-term rentals and ensure compliance.*

HdL's short-term rental compliance service ensures entities subject to taxation or licensure are properly registered and accurately reporting. HdL identifies STRs listed on any of the major booking sites and ensures they are compliant with your municipal ordinances. We work with you to craft a program tailored to meet your needs. The outcome is increased revenues and compliance while maintaining a business friendly education centric approach, thus reducing the challenges normally associated with compliance efforts.



### Management Support Services

*Municipal revenue experts at your service.*

HdL is uniquely capable of lending a helping hand wherever it is needed. Support services are developed and implemented on a client-by-client basis, addressing even the most unique needs. Services like business process analysis, fee studies, municipal code reviews and modernization, and temporary staffing are a few examples of how HdL can support your operations.



### Software Solutions

*Empower your team and improve customer relations.*

HdL is the most widely selected local tax software provider for good reason. Only HdL provides cost effective pricing, extensive municipal expertise, high quality customer support, elegant design, and focused dedication to our local government clients. With HdL, you'll enjoy client service without limits and powerful software without compromise. With HdL, don't settle for an Enterprise module when you can have the best.



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**Hotel Tax Audit Division**  
8839 N. Cedar Avenue #212  
Fresno, CA 93720

**HdL Lodging Tax**

Telephone: (559) 221-4710  
Email: [totaudit@hdlcompanies.com](mailto:totaudit@hdlcompanies.com)

Courtyard by Marriott Riverside  
21520 Yorba Linda Blvd Ste 338  
Yorba, CA 92887

August 23, 2024

**FINAL NOTICE TOT AUDIT FINDINGS BALANCE DUE**

Dear Lodging Provider:

Thank you for your assistance during our audit review of your City of Riverside Transient Occupancy Tax (TOT) filings for Courtyard by Marriott Riverside located at 21520 Yorba Linda Blvd Ste 338, Yorba, CA 92887, and for extending your cooperation to our auditor during the review. The TOT audit review spanned the calendar years from January 1, 2019, through December 31, 2021.

The purpose of this letter is to inform you of the City’s decision regarding the audit findings, and to inform you of the amount owed resulting from the audit.

**Finding 1: Comped Rooms not Reported**

HdL found comped rooms provided to guests, yet the value of the room was not included in the TOT calculations. HdL assessed the amount of this finding by taking the number of rooms and multiplying this by the average daily rate.

**Finding 2: CTAF Untaxed – For Informational Purposes Only**

HdL found that the operator chose to pass the California Tourism Assessment Fee (CTAF) on to their guests but did not include the amount in the taxable rent. This fee is taxable under TOT ordinances as a standard charge to all guests for the privilege of occupancy and is considered rent. Unassessed findings [redacted] in tax, penalties, and interest.

Findings	Taxable TOT	Tax Due	Penalties	Interest	Totals
[redacted]					

Please contact HdL Lodging Tax, the City’s TOT Processor, by email [TOTAudit@HdLCompanies.com](mailto:TOTAudit@HdLCompanies.com) , within fifteen (15) business days.





**Hotel Tax Audit Division**  
8839 N. Cedar Avenue #212  
Fresno, CA 93720

**HdL Lodging Tax**

Telephone: (559) 221-4710  
Email: [totaudit@hdlcompanies.com](mailto:totaudit@hdlcompanies.com)

Per RMC Section 5.32.120:

"Any operator aggrieved by any decision of the Tax Administrator with respect to the amount of any tax, interest or penalties, if any, may appeal to the Finance Committee within 15 days after notice thereof by filing with the City Clerk a written notice of appeal, briefly stating in such notice the grounds relied upon for appeal. If such appeal is made within the time prescribed, the City Clerk shall cause the matter to be set for hearing before the Finance Committee within 30 days from the date of receipt of such notice of appeal, giving the appellant not less than ten days' notice in writing of the time and place of hearing. The findings and determination of the Finance Committee at such hearing shall be final and conclusive, and within three days after such findings and determination are made, the City Clerk shall give notice thereof to the appellant."

Should you choose not to provide documentation demonstrating the filings submitted were properly made, make payment or submit an administrative appeal, the City will finalize the preliminary assessment of TOT liability in the total amount of [REDACTED]

The payment remittance address is:

TOT AUDIT DIVISION  
Attention: Danielle Pilo-Ferguson  
8839 N Cedar Ave Suite 212  
Fresno, CA. 93720

HdL is committed to assisting you in completing your TOT returns accurately and avoiding these future oversights.

Please contact us with any questions.

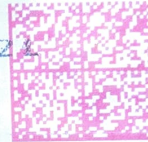
Best Regards,

The City of Riverside  
TOT Audit Division

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AUG 26 2024

PLEASE RECYCLE THIS ENVELOPE

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